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January 4, 2007

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When calling relative to this
matter, refer to file No. 1443.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

Re: Lower Cotton Valley Formation,
Reservoir A
Gray Sand, Reservoir A
Terryville Field
Lincoln Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Lower Cotton Valley Formation, Reservoir A, and the Gray Sand, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells for LCV RA SUH at the exceptional locations shown on the attached plat;
2. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells for LCV RA SUI, one of which is an exceptional location, as shown on the attached plat;
3. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for LCV RA SUP at the location shown on the attached plat;
4. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for LCV RA SUTT at the exceptional location shown on the attached plat;
5. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for GRAY RA SUNN at the exceptional location shown on the attached plat;
6. To determine that there is a need for additional alternate unit wells as indicated to efficiently and effectively recover hydrocarbons underlying the units on which they are to be located;

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7. To authorize the unit allowable for these units to be recovered from the existing wells located on the units, the proposed wells, or any combination thereof, at the discretion of the operator; and
8. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Lower Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 370-B-6, effective on and after February 18, 1982; and has been redefined as to certain units by Office of Conservation Order No. 370-B-64, effective January 10, 2006.

The Gray Sand, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 370-E, effective May 23, 1979.

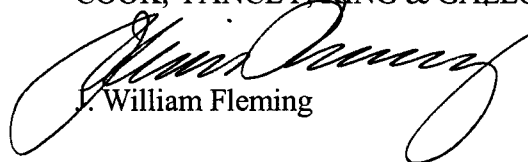
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Tom Lindley, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The list of names and addressed attached to the copies of this application being sent to the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application fee.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

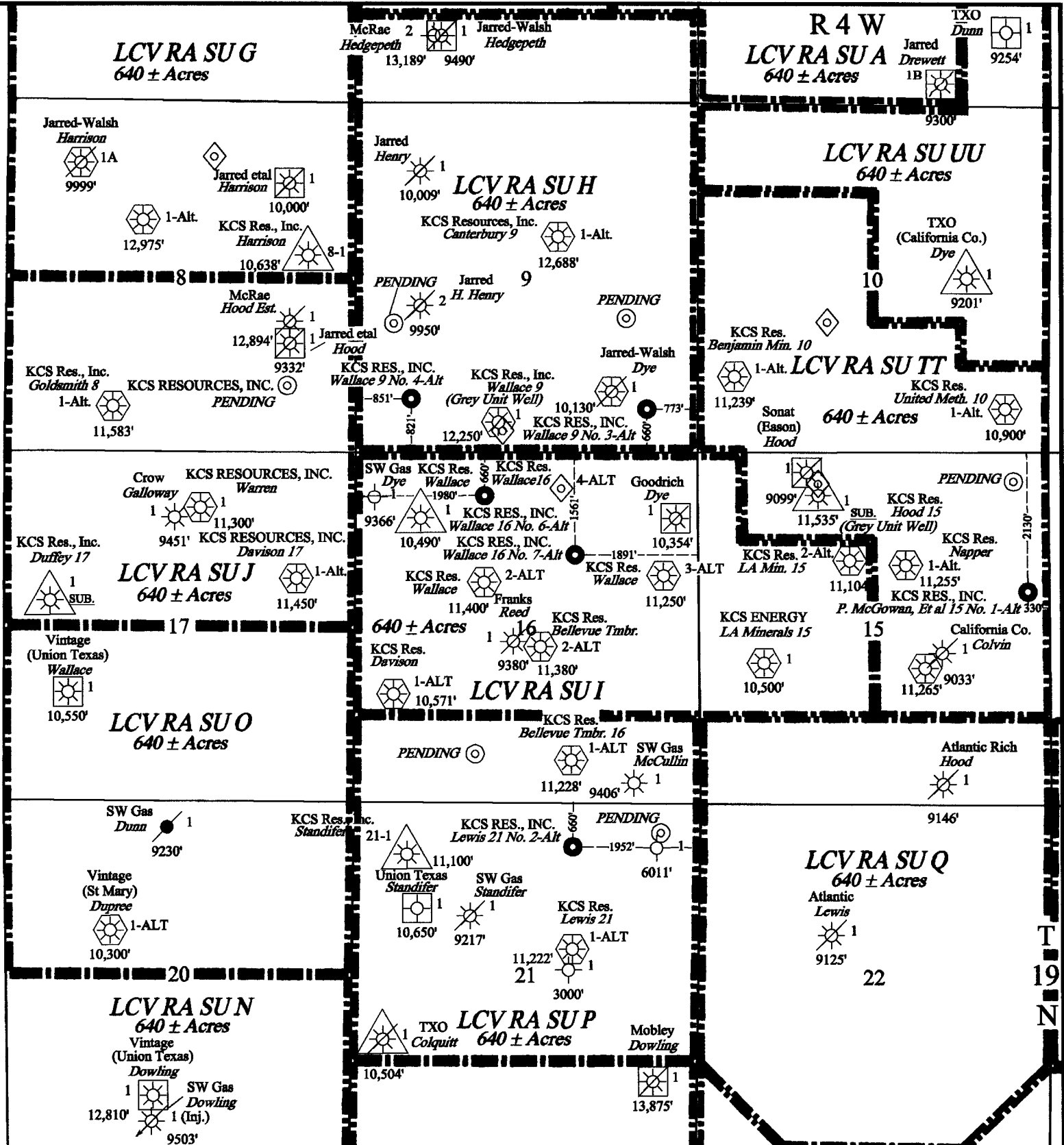


J. William Fleming

jwf:s

Enclosures

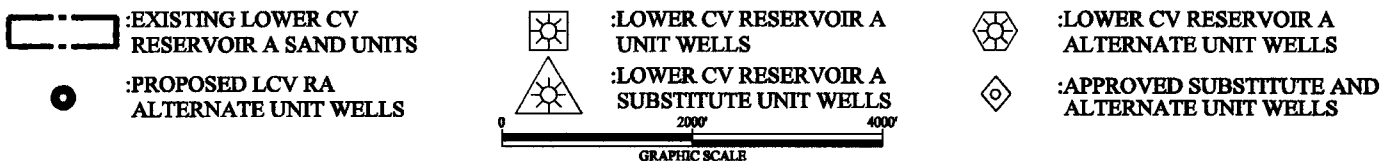
cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Tom Lindley
Mr. Craig Barclay



KCS RESOURCES, INC.
Tulsa, Oklahoma

TERRYVILLE FIELD
Lincoln Parish, Louisiana

PROPOSED LOWER COTTON VALLEY RESERVOIR A ALTERNATE UNIT WELLS



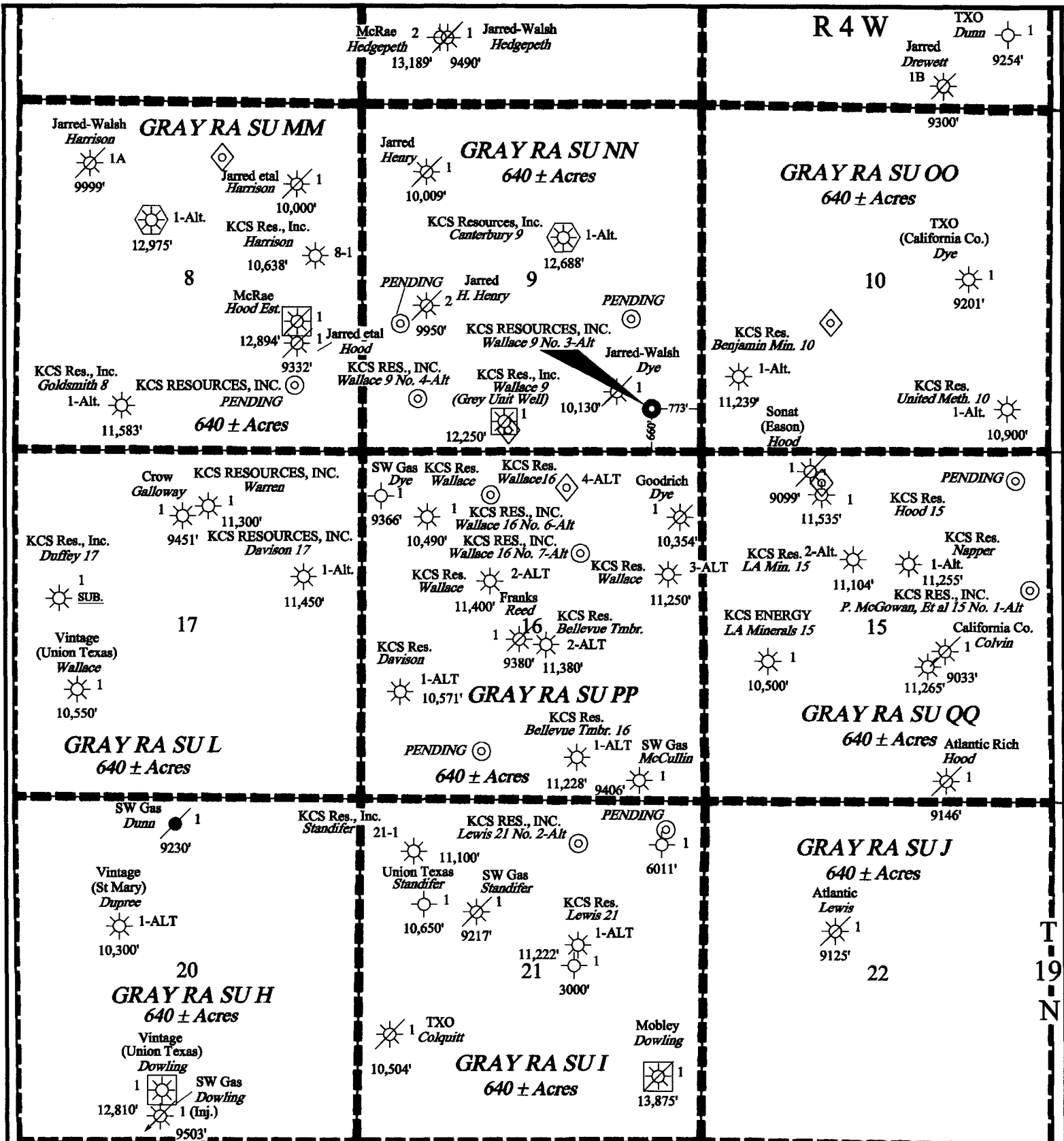


EXHIBIT No. 1

DOCKET NO. 07-

KCS RESOURCES, INC.
Tulsa, Oklahoma

TERRYVILLE FIELD
Lincoln Parish, Louisiana

PROPOSED LOWER GRAY SAND RESERVOIR A ALTERNATE UNIT WELL